

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, DECEMBER 16, 2003**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, December 16, 2003, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Beckman, Hitchcock, Howard, Land, and Mayor Hansen

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays, and City Clerk Blackston

B. CITY COUNCIL CALENDAR UPDATE

City Clerk Blackston reviewed the weekly calendar (filed).

C. TOPIC(S)

C-1 "Discussion regarding Public Benefits Program grant for the Lodi Next Generation Home Project"

Rob Lechner, Manager of Customer Service and Programs, stated that the Lodi Next Generation Home Project would be funded through the City's Public Benefits Program. He introduced members of the audience including property owner Gary Buzunis, Gary Heedirik with Energy Doctor, and J.P. Batmale with the Great Valley Center. He explained that the concept of the project is to lease or rent a home in Lodi and retrofit it with state-of-the-art energy efficiency products and materials, e.g. wall and attic insulation, EnergyStar appliances and electronic products, ceiling fans, fluorescent lighting, sky lighting, dual paned windows, solar panels and hot water heating, grey water systems, heating and air conditioning with 18 SEER (Season Energy Efficiency Rating) or greater, low-flow toilets and shower heads, faucet aerators, drip irrigation, and drought tolerant plants. Staff plans on opening the home to students (fourth grade and higher), the San Joaquin Delta College HVAC and Mechanical class, homeowners, renters, developers, and general contractors.

Mr. Lechner noted that the Public Benefits Program would not fully fund the project and in-kind contributions will be solicited from mechanical contractors, home furnishing stores, appliance dealers, and landscape professionals. The house at 840 South Church Street is approximately 60 years old, has three bedrooms, and is 1,800 square feet. One of the bedrooms will be used as a conference room. It will be open from 8:00 to 5:00 p.m. Monday through Friday and two or three Saturdays each month from 8:00 to 11:00 a.m. The rent will be \$1,500 per month paid for through the Public Benefits Program budget. Of the \$125,000 from the Public Benefits Program, approximately \$50,000 would be expended during the 27-month project from January 2004 to March 2006. He estimated the cost of utilities, cable, and phone lines at \$50,000. The contract for Energy Doctor is \$20,000 and the balance of \$55,000 would be used for energy efficiency improvements. Mr. Lechner reported that the Great Valley Center has assured Electric Utility of a \$5,000 grant toward the project.

Council Member Howard asked if residents surrounding the home had been notified of the proposed project, to which Mr. Lechner replied that they had not. Ms. Howard and Council Member Land emphasized the importance of notifying the neighbors and mentioned that there may be impacts such as school buses and parking to be considered.

Mr. Lechner replied that school buses would be parked only for a limited time to drop off and pick up the students. He mentioned that it is planned to have the capability to charge the two vehicles that he and Kathy Brown, Programs Coordinator with Electric Utility, utilize for City business. He reported that after the term of the lease the property reverts back to the owner. The home will be modified to meet all Americans with Disabilities Act requirements.

In reply to Mayor Hansen, Mr. Lechner reported that once the project term has ended all the equipment that is not permanently affixed to the home would be removed. He hoped to have all the energy efficiency improvements made to the home by April 1. In order for it to be designated as a demonstration house, Mr. Lechner's office would be established at the property.

Mayor Pro Tempore Beckman pointed out that Mr. Buzuniz would be getting a lot of improvements done on his property that he would be able to keep once the project ends. He asked whether this would be an offset to the rent payments. In addition he asked to be provided with the specific dollar amount for the permanent improvements to the property and how that would translate into real equity value.

PUBLIC COMMENTS:

- Mr. Buzuniz described the process he went through to locate a home which met Electric Utility's specifications. He reported that with the rent amount of \$1,500, he would lose \$355 a month after taking into account the mortgage payment, taxes, insurance, and interest rate as owner non-occupied.

Mayor Hansen also asked that Council be provided with a financial accounting of all projected expenses, the value of permanent improvements to the home, etc.

Mr. Lechner commented that as of November 30 the Public Benefits Program had a balance of \$644,000.

- Kathy Grant preferred that it be a long-term project and the house be purchased by the City instead of rented. She asked whether there would be measurement of how much the utility bill decreased each month after the improvements were made to the home, to which Mr. Lechner answered in the affirmative. She recommended that the project also include retrofit for storm water runoff, water meters, and landscaping engineered to be less impervious.

In response to Mayor Hansen, Mr. Lechner reported that the proposed contract includes a lease option on the house for one additional year. He mentioned that staff hopes to have another piece of property lined up for a similar project in 2006.

- Joe Pachino stated that he moved to Lodi about a year ago from Chicago where he owned 82 rental homes. He recently retired and was formerly an architectural designer. He mentioned that he would like to approach Council in the future regarding an elderly assisted living project, which he believed would pay for itself through state and federal grants. Mr. Pachino and his associates have been working on a new pop-up gutter system that expends water over structures when a fire exists or is in close proximity. He suggested that this be incorporated into the project Council is now considering and he offered his services.
- Gary Heedirik of Energy Doctor noted that education is a primary component of the Public Benefits Program. He stated that the Program has provided rebates for various items, though it was recently discovered to offer very little benefit. He explained that there is an order in which improvements should be done based on the existing condition of a house and the consumer's need. The concept behind the House-as-a-System Home Inspection is to identify that order for homeowners. He proposed that, if this project proves to be successful, the City purchase a house and retrofit it every two years.

In reference to Ms. Grant's earlier recommendation, Mr. Lechner stated that staff's intent is to work closely with the City water conservation team to address landscaping and associated issues, which will be included as part of the project. He also indicated that before and after utility usage measurements will be conducted and available to interested persons.

Mayor Hansen suggested that a public hearing be held on this matter to allow surrounding residents to voice their concerns and input regarding the project.

Council Member Land recommended that a specific notice be mailed to property owners within a 300-foot radius surrounding the project to determine interest prior to scheduling a public hearing.

City Manager Flynn commented that it might be a good idea to present the project to the Planning Commission before bringing it back to Council.

D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

E. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:05 a.m.

ATTEST:

Susan J. Blackston
City Clerk

Mayor's & Council Members' Weekly Calendar

WEEK OF DECEMBER 16, 2003

Tuesday, December 16, 2003

- 7:00 a.m. Shirtsleeve Session topic.
1. Discussion regarding Public Benefits Program grant for the Lodi Next Generation Home Project (EUD)
- 10:00 a.m. California Department of Water Resources, meeting to discuss National Flood Insurance Program, Lodi City Hall ~ Public Works conference room.
- 5:30 – 6:30 p.m. **Howard.** City of Ripon dedication of Mistlin Fountain Number 3 featuring a fountain light show, 1700 River Road, Ripon.
- 7:00 p.m. BOBS Review Committee Meeting, Lodi Parks and Recreation Annex building, 121 North Stockton Avenue.

Wednesday, December 17, 2003

- 7:00 p.m. City Council Meeting.
(Note: Closed Session will begin at 6:00 p.m.)

Thursday, December 18, 2003

- Noon **Hansen, Howard, and Land.** Lodi Area Crime Stoppers Annual Christmas Luncheon, Harmony Wynelands, 9291 East Harney Lane.

Friday, December 19, 2003

- 1:00 – 3:00 p.m. **Hansen, Beckman, Hitchcock, Howard, and Land.** Employee Holiday Reception, City Hall ~ Second Floor Lobby.

Saturday, December 20, 2003

Sunday, December 21, 2003

Monday, December 22, 2003

- 11:30 a.m. **Hansen and Land.** Lodi Police Department's dedication ceremony of the new police facility, 215 West Elm Street.

Disclaimer: This calendar contains only information that was provided to the City Clerk's Office.

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**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Discussion regarding Public Benefits Program grant for the Lodi Next Generation Home Project (EUD)

MEETING DATE: December 16, 2003

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: None

BACKGROUND INFORMATION: The City of Lodi Electric Utility is proposing a unique public demonstration project. The NextGen Home involves numerous elements, all of which are outlined in greater detail below:

Purpose: to provide the citizens of Lodi and surrounding communities with the first energy efficient and new technology (often referred to as a "smart house") demonstration home in the north San Joaquin valley. The NextGen Home will showcase the latest in energy efficient technology, as well as new and emerging technologies, including- advanced building design techniques, high efficiency appliances and a central heat and air system, state-of-the-art water conservation devices (products for both indoors and outdoors), energy efficient lighting, an electric vehicle charging station(s), energy efficient home electronics products, drought-tolerant landscaping and shade trees, as well as high speed intranet wiring and other technologies to showcase advanced home energy management capabilities.

Target Audience: the NextGen Home will be a showcase property designed for a wide range of visitors. The project will feature technologies for area developers and contractors to review and potentially implement in future housing/construction projects. The NextGen Home will also afford an opportunity for local homeowners or renters to come and learn more about the latest in energy efficient technology and equipment. In addition, the NextGen Home will be an excellent site for students of all ages to visit, as current plans for our project call for one entire room being devoted to hands-on learning activities, interactive computer challenges and more.

Partnership/Funding: The Electric Utility Department will be seeking to expend up to \$125,000 in Public Benefit Program funds for this endeavor. The identified Public Benefit monies will be utilized for the home's rental costs and utilities (approximately \$50,000 for the duration of the project), for the cost of utilizing a general contractor to oversee the project (not to exceed \$20,000), and for the numerous energy efficient improvements associated with the retrofit effort. *Note: Pending City Council direction, Electric Utility staff proposes to bring the request for funding and contract approval back to the City Council in early January 2004.*

APPROVED:

H. Dixon Flynn, City Manager

In an effort to reduce the impact on our local budget, Electric Utility staff has developed a relationship with the Great Valley Center, based in Modesto. This non-profit organization has joined our effort to develop the NextGen Home, and has assumed the role as partner-fundraiser. Staff from the Great Valley Center are in the process of identifying project donors, seeking both grant dollars to aid the project, as well as in-kind contributions. The list of potential supporters reaches far and wide, and includes such organizations as: the Home Depot Foundation, the Energy Foundation, the California Energy Commission, the Demonstration of Energy-Efficient Developments program, the Raus Institute, the U.S. Department of Housing & Urban Development and the Partnership for Alternative Technology in Housing program, and the U.S. Department of Energy. Many of these organizations have grant funding available to support projects such as the Lodi Next Generation Home. It is our goal to secure as much grant funding as possible, thus reducing the total expenditure from the Lodi Public Benefits Program budget.

While seeking possible grants is a key element in our process, Electric Utility staff in conjunction with the Great Valley Center, will also aggressively pursue local mechanical contractors, construction firms and Lodi/area vendors for in-kind support for the project retrofit stage, as well as products and materials featured inside/outside the NextGen Home.

Note: in addition to their donated staff time to our project, the Great Valley Center has committed a \$5,000 grant to the Lodi Next Generation Home Project, with the funds specifically earmarked for customer outreach, general communications and marketing, and contractor/developer training.

Home Rental/Lease Agreement: Electric Utility staff, working in concert with Lodi's Community Development Department, have been able to identify a location for the proposed NextGen Home. The property is located at 840 S. Church Street in Lodi. The property is owned by Mr. Gary Buzunis of Lodi. Mr. Buzunis is offering the property to the City of Lodi for a rental/lease period of twenty-seven (27) months, commencing January 2004, at a cost of \$1,500/month, and a \$1.00 deposit to consummate the lease. Mr. Buzunis has also agreed to allow the Electric Utility Department to retrofit accordingly for the purposes of making the home a showplace of energy technology.

Project Timeline: Pending Lodi City Council approval, the City of Lodi Electric Utility would assume responsibility of the aforementioned rental property in January 2004. All efforts would be made to complete the NextGen Home retrofit by March 30, 2004, with a ribbon-cutting ceremony targeted for mid-April 2004.

Staffing/Marketing: To best demonstrate the NextGen Home Project, the Electric Utility intends to "staff" the home during regular business hours (Monday through Friday, 8:00am to 5:00pm), and a minimum of two designated/set Saturday's per month (8:00am to 11:00am). It is anticipated that Rob Lechner, Manager of Customer Service & Programs, and Kathy Brown, Programs Coordinator, of the Electric Utility Department will serve in this staffing role. It is possible that Mr. Gary Heedirik, Energy Doctor, Incorporated, will also maintain an office inside the NextGen Home, and assist in conducting tours and/or training opportunities.

As mentioned above, a piece of the external communications, marketing and customer outreach will be performed by the Great Valley Center, in conjunction with Electric Utility staff. A key element of the "marketing" will be the creation and placement of technology signage and sponsor support throughout the NextGen Home. All other community outreach and communications will be coordinated through the Electric Utility.

Other: It is also important to note, that the Lodi Next Generation Home Project will meet all local, state and/or federal regulations, as it pertains to building codes, inspections, certificates of compliance, as well as meeting all requirements and regulations of the Americans with Disabilities Act (ADA).

Energy Doctor Contract: the Electric Utility Department is recommending contracting with Mr. Gary Heedirik, owner of the Energy Doctor, to serve as the project's general contractor. Mr. Heedirik, who maintains a General Contractor's license through the state of California, will be responsible for ensuring that all sub-contractors utilized during the project retrofit phase are licensed and capable of completing the tasks that they are contracted to perform. This contract with the Energy Doctor will be in the amount of \$20,000 (not to exceed figure), and be in place from January 1, 2004, until the NextGen home is completely retrofitted (targeted retrofit completion date is March 30, 2004).

(Note: the Energy Doctor, Incorporated has been utilized for other projects, including the House-AsA-System Inspection Program, by Electric Utility staff. The Energy Doctor, Incorporated is a Lodi-based organization, with over twenty years of electric utility, energy efficiency/technology, and general contracting experience. Because of this organizations experience, existing relationship with the City of Lodi, and a working knowledge of the Lodi community, the City of Lodi Electric Utility has selected the Energy Doctor, Incorporated to serve as the projects general contractor, and will respectfully request at a future City Council meeting that Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.070.)

Conclusion: this first-of-its-kind demonstration home will showcase the latest in energy efficiency, as well as new and emerging energy/telecommunications technologies. The Lodi Next Generation Home Project will serve as a learning station for homeowners, renters, developers, building contractors, product installers, teachers, and students of all ages. The NextGen Home will be open for a minimum of two years, featuring state-of-the-art technology, for this wide and varied audience. Project staff is eager to form creative partnerships before, during, and after the retrofit of the home is complete.



Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager of Customer Service and Programs

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